

EXHIBIT C

TODD TONORE

2/25/2005 IN RE: ADAMS GOLF INC., SECURITIES LITIGATION

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UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

IN RE: ADAMS GOLF, INC.,)
SECURITIES LITIGATION) CIVIL ACTION NO. 99-371-KAJ
) (CONSOLIDATED)

ORAL DEPOSITION OF
TODD MICHAEL TONORE
FRIDAY, FEBRUARY 25, 2005

ORAL DEPOSITION OF TODD MICHAEL TONORE,
produced as a witness at the instance of the Defendants
and duly sworn, was taken in the above-styled and
numbered cause on the 25th day of February 2005, from
10:01 a.m. to 12:40 p.m., before RANDALL N. FINCH, CSR
in and for the State of Texas, reported by machine
shorthand, at the offices Akin Gump Strauss Hauer &
Feld, L.L.P., 300 West 6th Street, Suite 2100, Austin,
Texas 78701, pursuant to the Federal Rules of Civil
Procedure and the provisions stated on the record or
attached hereto.

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1 A. Right.

2 Q. Please don't hesitate to tell me if you don't

3 understand a question. I will do my best to explain a

4 question as best I can. I'll try to be clear, but feel

5 free to ask me --

6 A. Okay.

7 Q. -- if you don't understand something. If you

8 do answer a question that I ask, then I'll assume that

9 you understood what I asked you.

10 A. Okay.

11 Q. If you need a break, just say so. And we can

12 take a break anytime that you want to. But please

13 don't leave a question pending. If I've asked you a

14 question, please try to answer it as best you can

15 before you request a break.

16 A. Okay.

17 Q. When answering a question, don't guess. Okay?

18 I am entitled to your best recollection of the events.

19 It's difficult to remember everything exactly.

20 A. Right.

21 Q. But please don't guess.

22 A. Okay.

23 Q. Okay. And then just a final few questions.

24 Is there any reason that you can't give your best

25 testimony here today?

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1 A. No.

2 Q. Okay. Are you under any mental or physical

3 condition or any medications that would prevent you

4 from testifying truthfully or accurately?

5 A. No.

6 Q. Okay. Okay. Let's talk about a few personal

7 details. What is your current address?

8 A. I'm with Bancroft Bag, Incorporated. We're a

9 paper bag manufacturing company out of Monroe,

10 Louisiana, which is my hometown. I have been with

11 Bancroft for 20 years. I am the sales manager for

12 Bancroft. I have sales people all over the country.

13 We manufacture any type of paper bag you would see when

14 you walk into a grocery store. Old Roy pet food,

15 Kingsford, Royal Oak, Hall -- gift bags for Hallmark,

16 motion sickness bags for the airlines.

17 We're a -- we're a -- what's -- what you

18 would call a multi-wall bag producer. We have -- we're

19 about a hundred million dollar a year company,

20 privately held by one gentleman, Toby Bancroft. And

21 like I said, I have been with Toby for more than 20

22 years.

23 MS. FOX: Okay. Could we go off the

24 record a second?

25 (Discussion off the record)

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1 Q. (By Mr. Ahart) Let's go back on the record.

2 What is your current home address right now?

3 A. 1024 Pebble Beach in Mansfield, Texas, which

4 is just south of Fort Worth.

5 Q. Did you live at this address during 1998 and

6 1999?

7 A. Yes, I did.

8 Q. Okay. And do you have a home telephone

9 number?

10 A. (817) 453-5519.

11 Q. Okay. Are you married?

12 A. Yes. Married.

13 Q. Okay. How long have you been married?

14 A. Been married 12 years.

15 Q. And what's your wife's employment?

16 A. Real estate agent.

17 Q. Okay. Okay. Let's discuss your educational

18 background leading up to your career.

19 A. Okay.

20 Q. Where did you attend high school and when?

21 A. Monroe, Louisiana, graduated in 1980.

22 MS. FOX: That answers it.

23 THE WITNESS: All right. Sorry.

24 Q. (By Mr. Ahart) Did you go to college?

25 A. Yes.

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1 Q. Okay. When did you go to college?

2 A. '80 to '84.

3 Q. Where did you go?

4 A. Northeast Louisiana University in Monroe.

5 Q. Okay. What was your degree?

6 A. Sales -- marketing.

7 Q. Okay.

8 A. Business. Business marketing.

9 Q. And that was your major?

10 A. Right.

11 Q. Did you have a minor?

12 A. The minor was in marketing. Major was in

13 business.

14 Q. Okay. So I take it that you had some classes

15 with financial business accounting or --

16 A. Sure.

17 Q. -- economics backgrounds and things of this

18 nature? Okay.

19 A. Correct.

20 Q. Okay. Did you go to graduate school?

21 A. No.

22 Q. Okay. In connection with your job at Bancroft

23 or anything before, have you attended any seminars or

24 trade courses or company classes?

25 A. Sure.

3 (Pages 6 to 9)

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1 Q. Okay. What kind of topics have those courses
2 typically covered?
3 A. Well, a lot of quality type classes, ISO
4 classes, some management classes from SMU business
5 school in Dallas.
6 Q. Is that the Cox Business School?
7 A. Right.
8 Q. Correct?
9 A. Right.
10 Q. Okay. Are you a member of any professional
11 societies?
12 A. No.
13 Q. Do you have any other education certifications
14 or professional licenses or anything of that sort?
15 A. (Witness shakes head) I'm sorry. No.
16 Q. And I think we have addressed this next
17 question already, but it sounds like you've worked for
18 Bancroft since you left college. Has that been your
19 only job since you left college?
20 A. I sold pharmaceuticals for one year right out
21 of college and then went to work for Bancroft.
22 Q. And who did you sell pharmaceuticals for?
23 A. Fisons, F-i-s-o-n-s, a Johnson & Johnson
24 company.
25 Q. Okay. Did you serve in the military at any

1 some of the basic issues in this lawsuit. Who are you
2 suing in this case?
3 A. Barney Adams, Adams Golf, and directors at the
4 time of the IPO, and the company that actually assisted
5 them in taking the company public. And I assume that
6 would be his company.
7 Q. And by company, you mean the underwriters
8 that --
9 A. Underwriters, yes.
10 Q. Okay. Can you talk briefly about why you're
11 suing my clients?
12 A. Basically because I've -- I lost a lot -- a
13 tremendous amount of money. I feel like I was misled.
14 And I'm representing the class that also lost a lot of
15 money that I feel was misled.
16 Q. And how do you believe they were misled?
17 A. I think they were -- there was information
18 withheld at the time of the IPO that later -- shortly
19 afterward affected the stock price to do what it did in
20 a six-month period, go from a little over 18 all the
21 way down to three or wherever it is. I don't even know
22 where it is today.
23 Q. Okay. And so you believe it was this withheld
24 information that caused the stock price -- conceivably,
25 this information that was withheld is what caused the

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1 time?
2 A. No.
3 Q. When did you first learn that you would have
4 to give a deposition in this case?
5 A. About a month ago.
6 Q. Okay. Who told you?
7 A. I was contacted by Elizabeth.
8 Q. Okay. Who have you met with personally to
9 prepare for this deposition?
10 A. No one other than Elizabeth.
11 Q. Okay. How many times have y'all met with one
12 another?
13 A. Just once, this morning.
14 Q. Okay. How long did you meet?
15 A. Thirty minutes.
16 Q. Okay. And this was the first time that you
17 had personally met with your attorneys before today?
18 A. Yes.
19 Q. Okay. Have you communicated with anyone else
20 at all in preparation for your deposition today?
21 A. No.
22 Q. Okay. Did you review any documents to prepare
23 for this morning's deposition?
24 A. No.
25 Q. All right. Let's move on and just talk about

1 stock price to decline after the offering?
2 A. Yes.
3 Q. What evidence do you have to support your
4 belief?
5 A. Evidence? There was a lot printed, lot of
6 press releases, once the -- once Adams Golf announced
7 why the stock price was declining. I was -- I
8 purchased my stock through A. G. Edwards and I was
9 given information off of their Web sites and -- and off
10 of the Adams Golf Web site that basically stated the
11 reason for the decline in the stock.
12 Q. Okay.
13 A. Or their -- their -- their reason.
14 Q. So you -- you reviewed the company's press
15 releases? Adams Golf? By company, I mean Adams Golf.
16 A. Yes, through -- via the Internet, through
17 information that I could pull up basically off --
18 through my brokerage company.
19 Q. Okay. Did you also review any general
20 articles about the industry or other newsprint sources
21 that may have discussed Adams Golf, or just
22 primarily -- just releases by the company?
23 A. I couldn't turn the TV on without seeing
24 Barney Adams. I mean, there was a tremendous amount of
25 advertising being done by Adams Golf at that time.

4 (Pages 10 to 13)

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1 There was no -- no indication at the time of the IPO
2 that there was any information being withheld. But
3 after -- after the fact, the stock dove and then the
4 information was revealed.

5 Q. Okay.

6 A. And I believe they called -- referred to it as
7 gray marketing.

8 Q. Mm-hmm. What facts do you know to support
9 your belief that this information was withheld, other
10 than these press releases that you read or other
11 information you may have seen on the news?

12 A. None.

13 Q. None?

14 A. Other than what I read.

15 Q. Okay. You touched briefly on this, but can
16 you just for the record identify the defendants that
17 are in this lawsuit?

18 A. Defendants. Again, I -- I don't know
19 directors' names. I -- Barney Adams being the owner of
20 the company, and I want to say it's Lehman or whoever
21 helped -- I'm trying to think of the term. His company
22 basically. The underwriters.

23 Q. Okay.

24 A. I can't think...

25 Q. Can you name any of the individual director

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1 defendants --

2 A. No.

3 Q. -- at all?

4 Okay. And other than Lehman Brothers,
5 can you name any of the underwriter defendants?

6 A. No.

7 Q. Okay. Can you give me the names, titles or
8 responsibilities of the people that have been named as
9 defendants in this suit, particularly any of the
10 officers that used to be in the company?

11 A. No. Only Barney Adams.

12 Q. Okay. Do you know how many defendants there
13 are in total?

14 A. No.

15 Q. In 1998, which is the time of the IPO, can you
16 tell me what sort of business Adams Golf was in?

17 A. The golf business. They manufactured a club
18 to -- to basically replace drivers and woods, a variety
19 of woods in the golf business.

20 Q. Do you know the name of the particular product
21 that was so popular at that time?

22 A. Tight Lies.

23 Q. Tight Lies clubs?

24 Do you know how Adams Golf marketed its
25 products and sold its products at that time?

1 A. Yes. They -- I played with the product and I
2 was only able to purchase it through a -- the country
3 club which I'm a member of. And I was -- I was told
4 that it was marketed through specialty shops and not
5 discount houses.

6 Q. Okay. Were the clubs available through any
7 other sources other than through specialty shops or
8 golf pro shops?

9 A. At the -- at the time of the IPO, no.

10 Q. Okay.

11 A. Not to my knowledge.

12 Q. You said at the time of the IPO you saw Barney
13 Adams' face all over the place, so --

14 A. Oh, sure.

15 Q. Did you see these advertisements for the
16 company or for Barney in television or on the radio or
17 both or --

18 A. Everywhere.

19 Q. -- In newsprint?

20 A. Everywhere. Newsprint, infomercials,
21 television commercials, just about everywhere. Golf
22 publication magazines, anything that related to golf,
23 that -- you know, that was the hot item back then and
24 it was all -- it was stamped everywhere.

25 Q. Mm-hmm. Do you know why the product was

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1 considered to be so hot, as you say, at that time?

2 A. It was a very good product. It was -- I have
3 no -- you know, I've always said that it was a good
4 product. That was one of my reasons for buying the
5 product. It was a good product.

6 Q. Do you remember when you first learned about
7 the IPO?

8 A. When I first learned about the IPO? Maybe a
9 day or two before the IPO.

10 Q. Okay. So it was shortly before the IPO --

11 A. Right.

12 Q. -- actually occurred?

13 A. Right.

14 Q. But I guess before the IPO occurred you had
15 already been following the company or --

16 A. No, I had been --

17 Q. -- you did you not start following the
18 company really until you heard about the IPO itself?

19 A. No, I followed the company because I was
20 playing with their equipment for a year before they
21 took the company public.

22 Q. So you think you -- you actually purchased a
23 Tight Lies club sometime in 1997?

24 A. Sure.

25 Q. Do you know who Barney Adams is personally or

5 (Pages 14 to 17)

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1 do you just know him in connection with the
2 advertisements?
3 A. Just connection with the advertisement.
4 Q. What do you believe that Mr. Adams did wrong
5 in this case?
6 A. From a business standpoint, I think he was
7 aware of the threat of what they later called gray
8 marketing and -- and he knew it was going to affect his
9 sales in the future, in the near future and failed to
10 disclose that at the time of the IPO.
11 Q. And by affecting sales, what do you mean by he
12 knew it would affect sales in the future?
13 A. I just -- re -- say that again.
14 Q. Well, you say that you knew -- well, in your
15 opinion, that Barney Adams knew that this gray market
16 issue would affect sales in the future. In what way do
17 you mean it would affect sales?
18 A. He knew it existed. And he knew it -- it
19 would affect him in the fact that the arrangement that
20 he had with the way he chose to sell his products
21 through specialized shops, once these products surfaced
22 in discount -- in the discount arena, he knew that the
23 loyalty and the price would be -- would go away.
24 Q. Okay. Can you tell me who is W. D. C.
25 McKinzey?

1 are false or misleading?
2 A. Again, I mean, I've -- I haven't had time to
3 read it, but --
4 Q. Well, if you would like, at a break you can
5 look through it if you want.
6 A. Okay.
7 Q. We can always revisit these questions.
8 A. Yeah.
9 Q. Let's try and move on a little bit. Do you
10 believe that the company or any of the defendants
11 misrepresented anything or made any misstatements
12 specifically in this prospectus that you're alleging is
13 wrong?
14 A. In this particular prospectus, I don't believe
15 that there was any misrepresentation. I believe there
16 may have been some things left out.
17 Q. Okay. So do you know the differences between
18 a misrepresentation and what we'll call an omission?
19 MS. FOX: I'm going to object because it
20 calls for a legal conclusion. But you'd want to elicit
21 his lay interpretation of those -- of those terms.
22 MR. AHART: That's fine.
23 MS. FOX: You can't assume that he has
24 the legal interpretation --
25 THE WITNESS: Right.

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Page 21

1 A. No idea.
2 Q. Okay. I'm going to hand you what has been
3 marked as Defendant's Exhibit 1.
4 A. Okay.
5 (Defendant's Exhibit No. 1 marked)
6 Q. Do you recognize this document? And please
7 take your time to look through it before you answer the
8 question.
9 A. I believe that at one point I may have seen
10 this document, but it's been eight years ago. So for
11 me to say that I remember it, no, sir, I do not.
12 Q. This is the company's prospectus that they
13 released --
14 A. Correct.
15 Q. -- at the time of the offering. If you were
16 to have seen this document, do you remember when you
17 did in fact first see it?
18 A. It would have been after I had purchased the
19 stock from my -- it would have come to me from
20 my -- from the A. G. Edwards --
21 Q. Okay.
22 A. -- stockholder must -- my -- my broker would
23 have sent it to me.
24 Q. Okay. Do you recall or do you know at this
25 time what statements in the prospectus that you believe

1 MS. FOX: -- because he knows the words.
2 Q. (By Mr. Ahart) Okay. So in your lay
3 understanding of what a misrepresentation is versus an
4 omission or, you know, as you said, "didn't say
5 something."
6 A. An omission to me is when you leave -- when
7 you -- when you have knowledge of something and -- and
8 don't admit it.
9 Q. Okay. And so Adams Golf did not make my
10 misrepresentations? Is that correct?
11 A. They may have not made any -- rephrase that
12 now.
13 Q. I guess my question -- we were just trying to
14 figure out what it is that you're alleging has
15 occurred. So you are saying that it wasn't that Adams
16 Golf made any misrepresentations. Is that correct?
17 It's that Adams Golf omitted or did not state something
18 that they were supposed to state. Is that correct?
19 A. Correct.
20 Q. Okay. And again, although we've touched upon
21 this briefly in another question, can you just discuss
22 again what it is that you believe that Adams Golf did
23 not disclose that they should have disclosed?
24 A. The sale of their products through what they
25 refer to as gray marketing.

6 (Pages 18 to 21)

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<p style="text-align: right;">Page 22</p> <p>1 Q. Okay. And what is your understanding of what 2 that means?</p> <p>3 A. To me, gray marketing could be -- I believe it 4 means the products were -- were put in the hands of 5 someone that sold the products to a discount -- or at a 6 discounted rate. And they were -- and for that to 7 happen, I feel the products were sold at a discounted 8 rate so that that could happen.</p> <p>9 Q. Okay. Who do you believe sold the clubs at a 10 discounted rate to these retailers?</p> <p>11 A. I believe Adams Golf manufactured the clubs 12 and sold the -- sold the clubs to someone or -- or some 13 company, I'm not sure, that wound up selling the clubs 14 into -- into a discounted market like a Costco or a 15 Wal-Mart.</p> <p>16 Q. Do you think Adams Golf actually sold clubs 17 directly to these discounters?</p> <p>18 A. No.</p> <p>19 Q. Okay. And back to the gray market issue, do 20 you remember when Adams Golf first disclosed that there 21 were gray market problems?</p> <p>22 A. After the initial public offering when the 23 stock began to fall.</p> <p>24 Q. Okay.</p> <p>25 A. It was -- that was the first time I had heard</p>	<p style="text-align: right;">Page 24</p> <p>1 company does not sell its products through 2 price-sensitive general discount warehouses, department 3 stores or membership clubs?</p> <p>4 THE WITNESS: No.</p> <p>5 MR. AHART: I'm sorry, I must have been 6 paraphrasing it a little bit.</p> <p>7 MS. FOX: Just skipped it.</p> <p>8 MR. AHART: I apologize.</p> <p>9 THE WITNESS: Yes, I believe that -- I 10 believe the statement when that last sentence is 11 included.</p> <p>12 MR. AHART: Okay. And --</p> <p>13 MS. FOX: I'm sorry. What was that in 14 response to?</p> <p>15 THE WITNESS: The last sentence, "The 16 company does not sell its products through 17 price-sensitive general discount warehouses, department 18 stores or membership clubs."</p> <p>19 MR. AHART: But my question was whether 20 he believed that was a true statement. Can we go off 21 the record for a second?</p> <p>22 (Discussion off the record)</p> <p>23 Q. (By Mr. Ahart) We'll go back on the record. 24 Okay, let me read this -- 25 A. Okay.</p>
<p style="text-align: right;">Page 23</p> <p>1 the term "gray marketing" or read it anywhere. I never 2 read it anywhere before that time.</p> <p>3 Q. Okay. Let's turn to page 24 of the 4 prospectus. And if you'll look at that second full 5 paragraph --</p> <p>6 A. Mm-hmm.</p> <p>7 Q. There's a sentence there on the third line, in 8 the middle of the third line that starts off with "To 9 preserve..."</p> <p>10 A. Right.</p> <p>11 Q. So I'm going to read it aloud. "To preserve 12 the integrity of its image and reputation, the company 13 limits its distribution to retailers that market 14 premium quality golf equipment and provide a high level 15 of customer service and technical expertise. The 16 company currently sells its products to on- and 17 off-course golf shops and selected supporting goods 18 retailers. The company believes that selective retail 19 distribution helps its retailers to maintain profitable 20 margins and maximize sales of Adams products."</p> <p>21 Do you believe this is a true statement?</p> <p>22 MS. FOX: Wait a second. I don't think 23 you read the whole thing.</p> <p>24 THE WITNESS: No.</p> <p>25 MS. FOX: You read -- did you read, "The</p>	<p style="text-align: right;">Page 25</p> <p>1 Q. -- section to you again, and my question to 2 you is: Do you believe that the following statement 3 that I'm going to read which is in the prospectus is 4 true?</p> <p>5 A. Okay.</p> <p>6 Q. "To preserve the integrity of its image and 7 reputation, the company currently limits its 8 distribution to retailers that market premium quality 9 golf equipment and provide a high level of customer 10 service and technical expertise. The company currently 11 sells its products to on- and off-course golf shops and 12 selected supporting goods retailers. The company does 13 not sell its products through price-sensitive general 14 discount warehouses, department stores or membership 15 clubs. The company believes its selective retail 16 distribution helps its retailers to maintain profitable 17 margins and maximize sales of Adams products."</p> <p>18 Do you believe this statement is true?</p> <p>19 A. Yes, I do.</p> <p>20 Q. Let's turn to page 29. And if you will see 21 down there the second full paragraph from the bottom 22 where it says "Sales to retailers," in capital print?</p> <p>23 A. Yes.</p> <p>24 Q. I'm going to read this excerpt to you as well, 25 and please tell me if you believe that this is a true</p>

7 (Pages 22 to 25)

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1 clear --

2 A. It would have been -- okay.

3 Q. What you're looking at is a -- is marked --

4 okay, well, I'll just introduce Exhibit 20. This is

5 Defendant's Exhibit 27. It's Bates stamped TT 1

6 through TT 2, and the title of the document is Adams

7 Golf, Inc. certification pursuant to the federal

8 securities laws. Okay, you can go ahead and discuss it

9 now.

10 A. Okay. Repeat your question.

11 Q. When did you first hear about this lawsuit?

12 A. It would have been in late '99.

13 MS. FOX: Well, take a look at the first

14 page. No point in just guessing when -- when you've

15 got -- look at the -- read the first page.

16 THE WITNESS: This one here?

17 MS. FOX: Yeah.

18 THE WITNESS: (Brief pause) It would

19 have been -- I imagine -- it's been eight years or six

20 years ago, but now in order for me to join the class I

21 believe I had to -- to sign up 25 days after the IPO,

22 or after the class was -- I had to sign up 25 days

23 after the class.

24 MS. FOX: Well, don't -- don't try and do

25 that. Do you remember when you --

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1 Q. Did she contact you first?

2 MS. FOX: Object. He said that he --

3 THE WITNESS: Yeah, I contacted --

4 MS. FOX: -- contacted Keller Rohrback.

5 Don't try and trick him into that. It's not right.

6 MR. AHART: Just asking him a question.

7 MR. McEVOY: Liz, listen, nobody is

8 trying to trick him.

9 MS. FOX: Then you are trying to trick

10 him. You know he's confused and you're trying to

11 confuse him more.

12 MR. McEVOY: Nobody's trying to confuse

13 him.

14 MR. AHART: Off the record.

15 (Discussion off the record)

16 MR. AHART: Back on the record.

17 Q. (By Mr. Ahart) Do you know when the lawsuit

18 was originally filed?

19 MS. FOX: He's answered that. He doesn't

20 know.

21 THE WITNESS: I don't know.

22 MS. FOX: It's ridiculous. You know, you

23 keep asking him when you know he doesn't know. It's

24 six years ago.

25 MR. AHART: Yeah. Let's go off the

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1 MR. McEVOY: Could you let him finish his

2 answer? I know you would like to tell him what to

3 say --

4 THE WITNESS: I had to sign up -- I had

5 to sign the class. Once I was made aware, I had to

6 join the class within 25 days after the -- after I

7 was -- the class was filed. And I -- I believe I was

8 made aware of the class in '99. I last sold the stock

9 in July -- June of '99.

10 Q. (By Mr. Ahart) Okay. And how did you learn

11 about the suit?

12 A. Just following the company via e-mail. I was

13 a -- I read that Keller Ro -- R-o-h-r-b-a-c-k had taken

14 the class and I contacted them and joined.

15 Q. Okay. What did you hear about the lawsuit

16 when you first heard about it?

17 A. That there was a -- basically that there was a

18 class action lawsuit against Adams Golf for withholding

19 information about gray market distribution.

20 Q. Do you know who first filed the lawsuit

21 against Adams Golf?

22 A. I was contacted by Juli from Keller Rohrback.

23 I'm not sure who filed it.

24 Q. And Juli is an attorney at Keller Rohrback?

25 A. Yes.

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1 record for a second.

2 (Discussion off the record).

3 Q. (By Mr. Ahart) Are you aware that several

4 individual suits have been filed against Adams Golf and

5 that they were later consolidated?

6 A. My only knowledge is that there were -- I'm

7 only knowledgeable that there are two, that people that

8 bought the stock on the initial IPO, there's a suit.

9 And then I assume that the remainder of the people

10 that -- that bought the stock within a 30-day period or

11 so after the IPO, there's another suit. And that's the

12 one that I'm -- I'm a member of.

13 I did not buy the stock during the

14 initial public offering. I did buy it the day of the

15 initial public offering, but not -- I wasn't a part of

16 the IPO.

17 Q. Okay. Do you know whose idea it was to

18 initially file the suit?

19 A. No.

20 Q. Do you know whose idea it was to file a class

21 action?

22 A. No.

23 Q. Did you personally have any hesitation or

24 concern about filing the suit or joining this suit?

25 A. No.

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1 Q. Do you believe that you have any obligation to
2 investigate the facts that are alleged in the
3 complaint?
4 A. Yes.
5 Q. And what investigation exactly did you
6 perform?
7 A. Only other than, again, just information
8 gathered via Internet that the company was publishing
9 and my brokers were publishing.
10 Q. Do you know who else investigated facts that
11 are alleged in this complaint?
12 A. I assume that the lawyers did, that filed the
13 suit.
14 Q. Okay. Let's move on to what we've already
15 introduced at this point but it's Defendant's
16 Exhibit 27.
17 MS. FOX: That's your -- this is the
18 actual exhibit but this is the original.
19 MR. AHART: Ted, do you have a copy?
20 MR. McEVROY: Yeah, I do. Thank you.
21 THE WITNESS: Is that here?
22 Q. (By Mr. Ahart) Yeah, with the green sticker.
23 A. Okay. I've got you.
24 Q. Can you tell me exactly what this document is
25 in terms of how you understand it to be?

1 to overcome it like I was.
2 Q. Okay. Well, what is it -- what do you think
3 it means for you to be a representative plaintiff on
4 behalf of the other plaintiffs? And I'm not asking for
5 a legal definition.
6 A. Right.
7 Q. Just your understanding of what that means.
8 A. That basically I would be willing to go in
9 front of a judge and tell him that I felt like I was
10 misled.
11 Q. Okay. Do you know whether you were appointed
12 as a lead plaintiff in this case?
13 MS. FOX: Object. Calls for a legal
14 conclusion.
15 Q. (By Mr. Ahart) You can answer the question.
16 A. I do not.
17 Q. Do you know who the other lead plaintiffs are
18 in this case?
19 A. No knowledge.
20 Q. Okay. Do you know whether you're seeking to
21 be named as a class representative by the court?
22 MS. FOX: Object. It calls for a legal
23 conclusion.
24 Q. (By Mr. Ahart) You can still answer.
25 A. I do not.

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1 A. It's just a document that -- that I
2 received -- that I received a copy of the suit.
3 Q. In this document, let's say on No. 3?
4 A. Mm-hmm.
5 Q. Do you see there it refers to quote, unquote,
6 representative party. Can you tell me what your
7 understanding of the term "representative party" means?
8 MS. FOX: Object to the form. It says
9 representative plaintiff. And I object to the form
10 because it calls for a legal conclusion. But --
11 Q. (By Mr. Ahart) I apologize. It does not say
12 representative party. It says representative plaintiff
13 and it's a misquote on my part.
14 A. Okay.
15 Q. Can you tell me what your understanding of the
16 term representative plaintiff is in terms of the
17 context of this case?
18 A. I know my reason for serving. Is -- is that
19 what you want?
20 Q. Well, we could start with that.
21 A. Are you asking -- well, my reason for serving
22 is the fact I lost a tremendous amount of money, felt
23 like I was misled, and I have an interest in
24 representing other people that lost a tremendous amount
25 of money that I'm sure in a lot of cases were not able

1 Q. Can you describe for me in your own words who
2 was in this plaintiff's class that you're trying to
3 represent?
4 A. In my own words, I believe members of
5 other -- other stockholders that had bought Adams Golf
6 stock and suffered losses as I did.
7 Q. Can you tell me why you're seeking to serve as
8 a class representative in this case?
9 A. To possibly recoup some of the money that was
10 lost by me and others -- other class members.
11 Q. Can you tell me how many members are in the
12 class?
13 A. I have no clue.
14 Q. Do you know if there's more than one class?
15 A. I know there's --
16 MS. FOX: Object. It calls for a legal
17 conclusion. But I think he's described the --
18 THE WITNESS: Yeah, I know of -- as I
19 said earlier, I know of two classes, and that's -- you
20 know, the ones that bought the stock on -- on the IPO
21 and then the ones that bought it within a 30-day period
22 after the IPO.
23 Q. (By Mr. Ahart) Okay.
24 A. That's the only -- my only knowledge of the
25 two classes.

14 (Pages 50 to 53)

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<p style="text-align: right;">Page 54</p> <p>1 Q. Do you know if other class members bought 2 Adams Golf stock? 3 A. I have no knowledge. 4 Q. Do you know why -- 5 MS. FOX: I object. He already defined 6 the class as people who bought Adams Golf stock. And 7 you -- that's a clear case of your trying to confuse 8 him, asking the question backwards so he'll be 9 confused. 10 MR. AHART: I'm just asking if he knows 11 that they bought stock. 12 Q. (By Mr. Ahart) And I understand what your 13 understanding is of the class, and I'm just asking if 14 you know whether or not they purchased stock. 15 A. Do I know if they bought stock? I have no 16 knowledge of that. 17 Q. Okay. Do you know when the alleged class 18 period begins? 19 MS. FOX: Again, it calls for a legal 20 conclusion. I think he has described that. 21 Q. (By Mr. Ahart) It's not a legal conclusion. 22 Can you just answer the question? Do you know when the 23 class period begins? 24 A. No. 25 Q. Do you know when it ends?</p>	<p style="text-align: right;">Page 56</p> <p>1 written in the manner it was written by the lawyers 2 if -- if that wasn't the case. 3 Q. Do you know how many other proposed class 4 representatives there are for this case? 5 A. No. 6 Q. Did you know that Federated National Insurance 7 Company withdrew as a proposed class representative? 8 A. No. 9 Q. Have you ever met with any of the other 10 proposed class representatives? 11 A. No. 12 Q. Can you generally discuss for me what you 13 understand to be your responsibilities to the class as 14 a class representative? 15 A. I understand I -- I may have a responsibility 16 to agree or disagree with an offer and I may 17 have -- also have -- I will have a responsibility to 18 appear in court, if it goes that far. 19 Q. Can you tell me why you think that you in 20 particular will be an appropriate class representative 21 for the plaintiffs in this case? 22 A. Repeat that. 23 Q. In terms of your own understanding. 24 A. I think -- I think -- yes, I do understand the 25 question. I think I bought the stock in good faith and</p>
<p style="text-align: right;">Page 55</p> <p>1 A. I would assume at trial. 2 Q. Do you know why the class begins on a certain 3 date and ends on another date? 4 A. No. 5 MS. FOX: Objection; calls for a legal 6 conclusion. 7 THE WITNESS: I'm not a lawyer. 8 Q. (By Mr. Ahart) Do you know how the Section 11 9 subclass will trace your stock for the IPO? 10 A. No, I don't. I'm not a lawyer. 11 MS. FOX: First off, do you know what the 12 Section 11 subclass is? 13 THE WITNESS: I do not. No. 14 MS. FOX: Explain what it means, then, if 15 you -- maybe he can -- but it definitely calls for a 16 legal conclusion. Not even the courts agree on it. 17 Q. (By Mr. Ahart) Can you tell me how you're 18 going to trace your stock back to the IPO? 19 A. I have record of my buy and sells. 20 Q. Okay. Do you think your claims are typical of 21 the class of plaintiffs that you're purporting to 22 represent? 23 A. I would think -- yes, I do. 24 Q. Why do you think that? 25 A. I believe the class would not have been</p>	<p style="text-align: right;">Page 57</p> <p>1 I -- I lost a tremendous amount of money and I feel I 2 was misled. And I think that is the general consensus 3 of the class. 4 Q. Can you tell me how much time you spent 5 fulfilling your duties in this case as a lead plaintiff 6 and as a class representative so far? 7 A. How much time? I've reviewed documents over 8 the last six years that have been sent to me through 9 the -- through the attorneys. Other than that, I have 10 spent no time. 11 Q. Can you estimate for us about how long you've 12 probably spent reviewing these documents? 13 A. Seven hours. I don't know. 14 Q. Do you have any other responsibilities that 15 might interfere with your ability to fulfill these 16 duties as a class representative and lead plaintiff? 17 A. No. I -- I'll -- nothing I can't work around. 18 Q. Would future travel to Delaware, if that was 19 necessary, impose any kind of burden on you? 20 A. Depending on the time, possibly. But I will 21 work around -- I will work with you any way I can, via 22 phone or -- or e-mail to give you whatever answers you 23 may need. 24 Q. Okay. In your mind, what do you stand to gain 25 as a class representative in this case?</p>

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1 A. At this point it's not about the money.
 2 It's -- because I've overcome the money. It's about
 3 right and wrong. And it's about the people that are a
 4 member of this class that didn't overcome the money,
 5 that were misled by -- by a company and a group of
 6 gentlemen that made millions at the class' -- the class
 7 members and the shareholders' expense. It's criminal.
 8 Q. What parts of the lawsuit do you intend to
 9 directly participate in beyond this deposition? For
 10 instance, let's say, the class certification hearing or
 11 any hearings or motions for summary judgment or
 12 anything of that sort?
 13 A. I will participate wherever needed.
 14 Q. Would you attend the mediation?
 15 A. It -- define the mediation.
 16 Q. Well, it's where the two parties come together
 17 and try to resolve their disputes outside of the formal
 18 court process is probably the easiest way to describe
 19 it.
 20 A. If -- if the -- if the attorneys of the class
 21 choose to do that, yes.
 22 Q. Have you been asked by your attorney to attend
 23 the mediation?
 24 A. No.
 25 Q. Okay. Would you attend the mediation that's

1 Q. Okay. Can you discuss the details of that
 2 verbal agreement?
 3 A. Yeah. I -- I am being paid nothing, zero.
 4 And -- and whatever expenses I incur when
 5 needed -- when they need me, they will pay for it.
 6 Q. Do you know who your attorneys are in this
 7 case?
 8 A. I know Elizabeth.
 9 Q. Okay. What firm is she with?
 10 A. She's with Todd Collins, and the name of
 11 the -- I'm not familiar with the name of the firm.
 12 Q. And how did you choose your attorneys in this
 13 case?
 14 A. They were -- they were already attorneys
 15 on -- they were -- they already had the class action
 16 when I -- when I joined them.
 17 Q. Do you have a fee arrangement with your
 18 attorneys in this case?
 19 A. No.
 20 Q. Do you have any understanding that's -- your
 21 attorneys will obtain some sort of contingency fee if
 22 you win this lawsuit?
 23 A. Sure.
 24 Q. Do you know what that percentage will be?
 25 A. No.

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1 currently scheduled for June 1st, 2005?
 2 A. June 1st. June 1st. I think I may be able
 3 to. Where is it at?
 4 Q. I think it's Delaware, I believe.
 5 MS. FOX: Delaware. Yeah.
 6 THE WITNESS: If needed. If -- if not,
 7 again, by phone or -- or, you know, I will make myself
 8 available in one form or another.
 9 Q. (By Mr. Ahart) Can you tell me who has the
 10 authority to settle this case?
 11 A. Who has the authority to settle the case? I
 12 do not know.
 13 Q. Do you plan on attending the entire trial, if
 14 necessary?
 15 A. If necessary.
 16 Q. Did you fly down here today?
 17 A. Yes.
 18 Q. Who paid for your flight to attend this
 19 deposition?
 20 A. I did. But the -- I will be reimbursed by our
 21 lawyers.
 22 Q. Do you have an agreement with your lawyers
 23 concerning your costs in acting as a class
 24 representative and lead plaintiff in this case?
 25 A. Strictly verbal.

1 MS. FOX: Object to the form. Sorry. He
 2 hasn't testified -- you can't ask what percentage if
 3 you didn't establish that there was a percentage. He
 4 doesn't know anyway, so...
 5 Q. (By Mr. Ahart) Do you know how much your
 6 attorneys bill per hour?
 7 A. No.
 8 Q. Can you tell me how many times that you've
 9 physically met with your attorneys to date in this
 10 case?
 11 A. This is it.
 12 Q. How often do you speak with your attorneys,
 13 say, over the phone or by written communication about
 14 the status of this lawsuit?
 15 A. Over the period of six years, maybe four times
 16 with -- Elizabeth would be the third attorney that's
 17 contacted me. Juli being the first, Todd Collins and
 18 now Juli. Or Elizabeth, excuse me.
 19 Q. Who makes the strategy calls for pursuing this
 20 case?
 21 A. The attorneys.
 22 Q. If you disagree with an attorney's decision
 23 about how to handle a specific aspect of the case, what
 24 would you do?
 25 A. I would contact Juli and -- and review it with

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1 price of the product was driven down so fast that there
 2 were a lot of -- the club I was a member of, I can
 3 distinctly remember the head professional telling me
 4 that they're selling the clubs at Costco for 30 percent
 5 less than what I had to pay for them for Adams Golf.
 6 Q. Mm-hmm.
 7 A. So he would -- they -- he was stuck.
 8 Q. Do you know if gray marketing issues are
 9 limited to the golf industry?
 10 A. No. I know they're not limited to the golfing
 11 industry. I'm sure they're in -- in many other
 12 industries. You know, I've -- you know, you go to any
 13 foreign country, which I do, you see products being
 14 duplicated and -- and sold back into this country.
 15 Q. Okay. Do you think that gray marketing also
 16 encompasses, like you said, duplicate clubs or do you
 17 think that's a different issue?
 18 A. It could. It could mean duplication of clubs
 19 or it -- it could mean maybe someone just getting ahold
 20 of a large number of clubs and being able to get -- to
 21 supply a major chain.
 22 Q. Do you know -- go ahead. I'm sorry.
 23 A. I don't believe -- I don't believe -- you
 24 know, honestly, I don't believe that as a manufacturer,
 25 because I'm in the manufacturing business, I know where

1 people that would actually field the products, so, no,
 2 it's...
 3 Q. Is it possible that someone who is
 4 unauthorized to get ahold of your products could get
 5 them?
 6 A. Well, the products we make are all custom.
 7 They're all printed with custom logos, so -- so, no,
 8 we're not selling a brand. We're not -- we don't have
 9 our own brand that we're selling. We're -- everything
 10 we do is custom.
 11 Q. Okay. Why did you first decide to invest in
 12 Adams Golf during the IPO?
 13 A. I was playing with the product. It -- it --
 14 still today I believe that it's a great product.
 15 People that I was surrounded around in the golf
 16 industry swore by the product. Everything I read was
 17 positive. The company had tremendous sales, very
 18 little debt. I had no reason not to buy the product or
 19 the stock.
 20 Q. Okay. Let's go back to Exhibit 27, which is
 21 one of the first exhibits that we went through. You
 22 have it right there.
 23 A. Okay.
 24 Q. And let's look at the second page, which is
 25 Bates labeled TT 2.

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1 my products go. I think they knew who bought the
 2 products. And when you -- when I sell a large volume
 3 of products, not only do I know where they go, I know
 4 where they're going to wind up.
 5 Q. How do you know that?
 6 A. Just from knowing my customers and knowing the
 7 people I sell to. It's just business 101. I mean, you
 8 know, you -- you know where you're -- you have
 9 knowledge of -- if you don't know that, you shouldn't
 10 sell them. If you have no -- if you're going to lose
 11 control of your product anywhere in the -- in the -- in
 12 the chain from manufacture to customer, you shouldn't
 13 sell it if you're going to lose complete control of
 14 it.
 15 Q. Do you know at the time of the IPO in 1998 if
 16 there were any other golf companies that were affected
 17 by gray marketing?
 18 A. Not that I know of.
 19 Q. Have you ever experienced any gray marketing
 20 in your own business?
 21 A. No.
 22 Q. So there are no retailers that get ahold of
 23 the products that your company sells that shouldn't
 24 have them?
 25 A. No. We sell directly to manufacture -- to

1 A. I don't know whether I have that. Is that...
 2 Okay, my -- yeah, my stock trades. Okay.
 3 Q. Okay. Could you take a minute to review the
 4 information on this page and confirm for the record
 5 that these in fact are your trading records in Adams
 6 Golf stock at that time?
 7 A. That's correct.
 8 Q. The records indicate that you purchased 500
 9 shares on July the 10th, 1998. And then an additional
 10 number of shares up through January the 8th, 1999. I
 11 could read them out for the record if you want to.
 12 A. That's okay.
 13 Q. But if you trust my math, it adds up to 5,700
 14 shares?
 15 A. Sure. Yeah.
 16 Q. Do you know how many shares you purchased
 17 after the company first issued a press release about
 18 the gray marketing problems?
 19 A. I'm not -- I'm not quite sure. I know I did
 20 purchase some as the stock began to fall at -- at the
 21 advice of my broker in order to -- what -- the term
 22 they use is dollar cost average.
 23 Q. Okay. Can you describe for us what that means
 24 exactly?
 25 A. Well, it means if you bought a thousand

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1 at -- at 18, and then the stock fell to -- to 16, you
 2 buy another thousand, your average cost is 17. You
 3 just bring your average cost down so as the stock
 4 falls, you can continue to buy it to get your average
 5 cost down.
 6 Q. Okay. But you would do this despite the fact
 7 the company had issued this negative information about
 8 its results?
 9 A. Well, once -- once the negative information
 10 was released, the company remained positive in the fact
 11 that they continued to advertise, they continued
 12 to -- they didn't admit necessarily that -- that their
 13 business was going to suffer because of it. They
 14 continued to do the things, business as normal.
 15 Q. Mm-hmm.
 16 A. And when I contacted the company direct,
 17 that's basically the answer I received back. You know,
 18 we're continuing to grow, we're -- we still have very
 19 little debt. Our sales continue to be strong and...
 20 And the -- and honestly, the people that I was -- when
 21 I was using the product, people that I was playing golf
 22 with, they continued to use it. It was a good product.
 23 I didn't see the product going away and it still hasn't
 24 gone away. It was a good product. It's a good
 25 product.

1 Golf stock?
 2 A. That's it right there. That's when I
 3 exhausted it 6/10/99.
 4 Q. Well, but I could -- I mean, I may have made a
 5 mistake, but I believe that there were 6,200 shares
 6 purchased in total, and that last transaction only
 7 shows two 2,040 shares being sold.
 8 A. I'm not aware. I mean, this was the only
 9 report that I -- that I received.
 10 Q. Could you contact --
 11 A. I was buying -- as you can see, in a six-month
 12 period I was buying it. I can contact them, I'm not
 13 sure what success I would have getting documentation
 14 from Edward Jones that dates back to '98 or '99.
 15 Q. Okay. But if we --
 16 A. I'll try, yeah.
 17 Q. If we asked you to, you could see if you could
 18 get the records?
 19 A. I'll make the call, yes.
 20 Q. And for the purchases that did not occur
 21 during the IPO, which would in this case be all of
 22 them --
 23 A. Right.
 24 Q. Will you be able to trace these purchases back
 25 to the IPO?

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1 Q. Okay. On June 10th, 1999, you sold 2,040
 2 shares. Why did you sell those shares?
 3 MS. FOX: I think that's January. Am I
 4 wrong?
 5 MS. REED: July 10th.
 6 MS. FOX: Oh, no. June. I'm sorry.
 7 THE WITNESS: Where are you looking at
 8 there?
 9 Q. (By Mr. Ahart) The last entry there.
 10 A. Right.
 11 Q. 6/10/99, you sold 2,040 shares. Why did you
 12 at that time decide to go ahead and sell at least a
 13 portion of your holdings?
 14 A. Financial reasons. I had -- I don't know
 15 if -- I had had some of these stocks on margin, and I
 16 had margin calls that I was forced to pay. So I
 17 had -- I reached a point where I just couldn't go any
 18 further. I -- I cut my losses and went and borrowed
 19 money and paid off my margin calls.
 20 Q. Do you still have shares in Adams Golf stock
 21 at this time?
 22 A. No.
 23 Q. Okay. If we needed the records, could you
 24 provide us with the records of the additional sales
 25 until you finally exhausted your portfolio of Adams

1 MS. FOX: Again, I object to the form.
 2 It's a -- calls for a legal conclusion. And it
 3 isn't -- it's an issue that's not settled by the
 4 courts, so it's particularly confusing to him.
 5 Q. (By Mr. Ahart) You can still answer the
 6 question.
 7 A. I don't understand the question.
 8 Q. Okay.
 9 A. To be honest with you.
 10 Q. Okay. At any time before you actually
 11 purchased the shares, did you ever review any of the
 12 documents that were issued by Adams Golf such as any
 13 SEC filings or press releases or the prospectus that we
 14 reviewed earlier?
 15 A. Just press releases that were on the Internet
 16 through my brokerage company and through the Adams Golf
 17 Web site.
 18 MS. FOX: Well, now, this is before you
 19 purchased the shares. Were you following it before?
 20 THE WITNESS: Before I actually -- yeah.
 21 I mean, I went and looked at the financials before I
 22 actually bought the first 500.
 23 Q. (By Mr. Ahart) Mm-hmm. Okay.
 24 A. And everything looked in place. I mean, they
 25 had very little debt and they had high sales and there

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1 if they were not provided the information from
 2 the -- from Adams Golf that they -- they knew about.
 3 Q. (By Mr. McElvoy) Do you understand that
 4 the -- the complaint in this case alleges that the
 5 underwriter defendants had information including
 6 information about gray marketing prior to the IPO?
 7 A. Yes, but I have -- yes, I understand you're
 8 named in this case, but I didn't -- again, I joined the
 9 case after it was already filed.
 10 Q. Okay. So is it fair to say that you have no
 11 personal knowledge --
 12 A. Exactly.
 13 Q. -- or information -- I'm sorry, let me just --
 14 A. Excuse me.
 15 Q. Let me just get it out -- let me just get it
 16 out so we can get it clear. So it would be fair to say
 17 that you have no personal knowledge or information to
 18 support the allegations in the complaint as to what the
 19 underwriters might have known prior to the IPO?
 20 A. That's a correct statement.
 21 Q. Okay. Thank you. I know you spoke briefly
 22 about damages just a minute ago, and I don't mean to
 23 cover old ground, but can you tell me in dollar terms
 24 what damages you are seeking personally?
 25 A. Just a -- just my fair share of the money

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1 that's left in the class. I -- I have come to the
 2 acceptance that I will not get all my money back, okay?
 3 I don't expect it back. And, you know, again, I've
 4 said before, this is not a -- that's not why I'm here.
 5 It's not about the money. It's -- it's -- it's more
 6 about if -- if -- what I expect is to get a percentage,
 7 the same percentage as anyone else in the class. Now,
 8 I may wind up getting more because I had more shares
 9 than most. But, again, I think I'm smart enough to
 10 know that once you -- that I won't recoup all my money.
 11 That's not my intention.
 12 Q. Do you have any sort of a ballpark figure for
 13 the amount of money that you have lost as a result
 14 of buying Adams Golf stock?
 15 A. A little over 50,000.
 16 Q. Okay. Now, I understand you first bought the
 17 stock -- and you can look at Exhibit 27 just for
 18 reference. It --
 19 A. Okay.
 20 Q. I understand you first bought the stock at
 21 around 18 and five-eighths. Is that correct?
 22 A. Yes, sir the day of the IPO, that was what I
 23 purchased the stock at, 18 and five-eighths.
 24 Q. And would it be fair to say that your
 25 allegation is that you were overcharged for the stock

1 at that price?
 2 A. Based on what the stock -- at the -- that day,
 3 with the information that was available, no, I don't
 4 think I was overcharged.
 5 Q. Okay.
 6 A. I think I paid a fair price.
 7 Q. Okay.
 8 MS. FOX: But --
 9 THE WITNESS: But based on infor -- based
 10 on what happened --
 11 MR. McELVOY: One second. Liz, can you
 12 please -- can you please refrain from coaching the
 13 witness in the middle of an answer? I mean, I don't
 14 mind if you want to take a break, but --
 15 MS. FOX: The witness was answering and I
 16 was afraid you were going to cut him off.
 17 MR. McELVOY: I would never dream of
 18 cutting him off.
 19 Q. (By Mr. Ahart) Please go ahead, sir.
 20 A. But I do feel that I paid too much for the
 21 stock if the information that I feel they withheld
 22 would have been available at that time.
 23 Q. Okay. So is it fair to say that if the
 24 information that you later learned was known on the
 25 10th of July of 1998, the stock should have been

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1 selling at a lower price than 18?
 2 A. I never -- I never would have bought the
 3 stock.
 4 Q. Okay.
 5 A. Wouldn't have bought it at all.
 6 Q. Okay. So that's fair enough. Now, you say
 7 the subsequent -- pardon me. I understand your
 8 testimony to be -- and your counsel will correct me if
 9 I'm misstating it -- that you bought the stock on
 10 subsequent occasions through to January 8th of '99, to
 11 engage in dollar cost averaging. Is that right?
 12 A. Correct.
 13 Q. Okay. And -- and the point of the dollar cost
 14 averaging was to mitigate the amount of money that you
 15 lost buying the stock. Is that correct?
 16 A. It was -- even once the -- the news about gray
 17 marketing came out, the company still remained very
 18 positive in the sense that they thought they could turn
 19 it around. So it made a lot of sense to me to -- as
 20 the stock fell, to continue to buy it and try to get my
 21 average cost down so when it did turn I wouldn't have
 22 to -- the stock -- you know, I don't know what my
 23 average cost wound up being. We could do the math and
 24 see. But, you know, from 18 to three, I had a better
 25 chance of buying -- when I bought it at three, I was

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<p style="text-align: right;">Page 102</p> <p>1 hoping it would get to -- if my average was eight, I 2 felt like I had a better chance of getting it to eight 3 than I did back to 18. 4 Q. I became a lawyer so I could avoid doing math 5 as much as possible. 6 A. Right. 7 Q. So we're not going to do the math, but -- 8 A. Right. 9 Q. Now, can you tell me at what point if 10 you -- if we're just looking at this list -- and again, 11 I'm looking at Exhibit 27. And basically, Exhibit 27 12 has the first purchase on July 10th of 1998 and your 13 last purchase on January 8th of 1999. Can you tell me 14 roughly at what point during this period you learned 15 about the gray marketing problem that you've been 16 talking about? 17 MS. FOX: Don't guess. 18 THE WITNESS: It would strictly be a 19 guess. 20 Q. (By Mr. McElvoy) Okay. I don't want you to 21 guess. 22 A. It would be a guess. I mean, it... 23 Q. You had spoken with -- I believe you testified 24 earlier, and again counsel will correct me if I'm 25 wrong, that you sent an e-mail to Adams Golf at some</p>	<p style="text-align: right;">Page 104</p> <p>1 in this lawsuit as a plaintiff? And by that, I mean 2 anybody who might be a lead plaintiff or any proposed 3 member of the class? 4 A. I haven't. 5 Q. Okay. Now, we've -- I think your testimony 6 earlier again was that you do not know whether other 7 proposed members of the class might have purchased 8 Adams Golf stock or when they purchased it? 9 A. No, I'm not. 10 Q. You have no understanding about that. Right? 11 A. It would be strictly -- 12 MS. FOX: Object to form, because he 13 defined class earlier as people who bought. 14 THE WITNESS: Right. I mean, it would -- 15 MS. FOX: That's really an unfair 16 question. You know it was. 17 THE WITNESS: It would be strictly an 18 assumption. I would assume they bought it. 19 Q. (By Mr. McElvoy) Okay. 20 A. Or they wouldn't be a member of the class. 21 But I don't know that they bought it. 22 Q. Okay. 23 A. Because I don't know them. 24 Q. I apologize for misstating that. I just 25 wanted to start off with a baseline.</p>
<p style="text-align: right;">Page 103</p> <p>1 point? 2 A. Yes. 3 Q. Do you recall roughly when you sent that 4 e-mail to Adams Golf? 5 A. Roughly, I like that term. Then it would have 6 been once the stock began to decline and looking at 7 my -- my transactions, it would have been around July 8 of '98. 9 Q. Okay. So -- so would it be fair to say that 10 you did buy some stock after learning about the gray 11 market problem? 12 A. No doubt. 13 Q. Okay. We just don't know exactly when that 14 point was when you learned. Is that right? 15 A. That's correct. 16 Q. Okay. I understand -- I believe earlier you 17 testified that you have not spoken with any of the 18 other lead plaintiffs in this case or met any of the 19 lead plaintiffs. Is that right? 20 A. That's correct. 21 MS. FOX: I object to the form, because 22 he has already testified he doesn't know what the word 23 lead plaintiff means. 24 Q. (By Mr. McElvoy) Okay. That's fine. Have you 25 ever met with or spoken with anyone else who's involved</p>	<p style="text-align: right;">Page 105</p> <p>1 A. Okay. 2 Q. Because the question that I wanted to ask you 3 was then: You wouldn't know whether any other members 4 of the proposed class engaged in the dollar cost 5 averaging kind of activity that you were doing through 6 the end of -- of '98? 7 A. That's correct. 8 Q. Is that correct? Okay. Now, I understand 9 again that you testified that you've got a verbal 10 agreement with your attorneys regarding fees and costs. 11 Right? 12 A. Mm-hmm. 13 Q. Is that correct? 14 A. Not involving -- the only verbal agreement I 15 have with our -- my attorneys are that they would 16 compensate me for any expenses that I incur during this 17 case. 18 Q. Okay. Have you signed anything at all, any 19 piece of paper regarding the terms under which you 20 are -- your attorneys are representing you in this 21 case? 22 A. Not to my knowledge. 23 Q. Okay. Did you sign anything at all in 24 connection with representation by the attorneys that 25 you spoke to prior to being represented by Berger &</p>

27 (Pages 102 to 105)

EXHIBIT D

JOHN MORRASH

2/23/2005 IN RE: ADAMS GOLF, INC., SECURITIES LITIGATION

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF DELAWARE
3

4 IN RE: ADAMS GOLF, CIVIL ACTION NO. 99-371-KAJ
5 INC., SECURITIES
6 LITIGATION (CONSOLIDATED)
7
8
9

10 Oral deposition of JOHN
11 MICHAEL MORRASH, taken at the law
12 offices of BERGER & MONTAGUE, P.C., 1622
13 Locust Street, Philadelphia,
14 Pennsylvania, on Wednesday, February 23,
15 2005, at 10:12 a.m., before Rosemary
16 Locklear, Registered Professional
17 Reporter, Certified Shorthand Reporter
18 (NJ), Certified Realtime Reporter and
19 Notary Public, pursuant to notice.
20
21
22
23
24
25

JOHN MORRASH

2/23/2005 IN RE: ADAMS GOLF, INC., SECURITIES LITIGATION

Page 10

Page 12

1 Q. Do you recall which documents?
 2 A. I reviewed the documents that were
 3 in my file, personal file that I kept
 4 with respect to this investment. And I
 5 also reviewed some information on the
 6 Internet last night.
 7 Q. What sort of information was that?
 8 A. SEC filings by the company.
 9 Q. And when did you review the
 10 documents in your file?
 11 A. I reviewed them intensely last
 12 night.
 13 Q. And did reviewing those documents
 14 refresh your memory about any of the
 15 events connected with the lawsuit?
 16 A. Yes.
 17 Q. Which events?
 18 A. Primarily, it refreshed my memory
 19 as to why I was so upset about this
 20 situation.
 21 Q. And so which documents were the
 22 ones primarily that refreshed your
 23 memory?
 24 A. The ones in my file.
 25 Q. Yes. And we'll go through those

1 A. Uh-huh.
 2 Q. Can you give us your current
 3 address, please.
 4 A. Sure. It's 3565 Lexington Drive,
 5 in Doylestown, Pennsylvania.
 6 Q. And your telephone number.
 7 A. My home phone number?
 8 Q. Yes.
 9 A. Is 215-345-4096.
 10 Q. And was that your same address
 11 during 1998 to 1999 time frame?
 12 A. No, it wasn't.
 13 Q. What was your address then?
 14 A. My address then was 3901 Sherwood
 15 Lane, Doylestown, Pennsylvania.
 16 Q. And what's your business address?
 17 A. My current business address is
 18 Radnor Corporate Center in Radnor,
 19 Pennsylvania.
 20 Q. Is there a street address or is
 21 that --
 22 A. It's Building 3; it's fourth
 23 floor.
 24 Q. Okay. So no ZIP Code, though?
 25 Just, you know, for the record, we're

Page 11

Page 13

1 documents --
 2 A. Yes.
 3 Q. -- in a little bit. I presume
 4 those are probably the documents that
 5 you turned over to your lawyers who then
 6 produced them to us.
 7 A. Yes.
 8 Q. But, primarily, are you referring
 9 to like your trading records in Adams
 10 Golf?
 11 A. I'm referring to the Baker Watts
 12 report that was written on the company
 13 in August of 1998, and then I'm also
 14 referring to financial results that I
 15 saw on the Internet by way of my viewing
 16 SEC filings.
 17 Q. And what time period were those
 18 SEC filings for?
 19 A. I looked at the 10-K for 1998, the
 20 10-K for 1999, the 10-Q for the period
 21 ended September 30th, 1998, to the best
 22 of my recollection.
 23 Q. Oh. And let's walk through a few
 24 just personal details so that we have
 25 them on the record.

1 just trying to get a good mailing
 2 address.
 3 A. I don't recall what the ZIP Code
 4 is. I don't use it.
 5 MS. FOX: Well, you know, I
 6 would object. If you want to get ahold
 7 of him, get ahold of us.
 8 BY MS. BRANNEN:
 9 Q. So are you married, Mr. Morrash?
 10 A. I'm not married.
 11 Q. And then next I want to walk
 12 through just your educational
 13 background, your formal education. Did
 14 you graduate from college?
 15 A. I did. And we've provided a brief
 16 resume to you.
 17 Q. Right. Right. We will get to
 18 that shortly.
 19 What was your degree in, just
 20 so that we can get it on the record?
 21 A. B.S. degree in accounting.
 22 Q. Okay. And do you belong to any
 23 seminars? I'm sorry. Have you attended
 24 a lot of accounting and financially-
 25 related seminars then, I would guess, if

4 (Pages 10 to 13)

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JOHN MORRASH

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1 your background is in accounting?
 2 **A. From time to time, yes.**
 3 Q. What about courses in investing
 4 and that kind of thing?
 5 **A. Formal courses, no.**
 6 Q. Do you belong to any professional
 7 societies?
 8 **A. I belong to the Pennsylvania**
 9 **Institute of Certified Public**
 10 **Accountants and the American Institute**
 11 **of Certified Public Accountants.**
 12 Q. Okay. And let me go ahead and
 13 introduce your resume, which I'm going
 14 to ask the court reporter to mark as
 15 Exhibit 16.
 16 (Exhibit 16 was marked for
 17 identification.)
 18 MS. BRANNEN: And I've just
 19 left the page that was behind it which
 20 looks like just a file label page but
 21 attached with this one.
 22 MS. FOX: Yes. That is the
 23 back of the folder.
 24 MS. BRANNEN: Of the folder.
 25 Okay. I just figured I'd leave it with

Page 15

1 this one so that it stayed with
 2 something.
 3 BY MS. BRANNEN:
 4 Q. So can you identify this document
 5 for the record, please.
 6 **A. Yes. Appears to be the document**
 7 **that I prepared in response to a request**
 8 **by my attorneys.**
 9 Q. And can you describe the document?
 10 **A. Sure. It's a --**
 11 MS. FOX: Wait a second.
 12 Could I have the -- or let
 13 him look at the real document and let me
 14 look at this one. Good. Thank you.
 15 THE WITNESS: It is a summary
 16 of my college education, professional
 17 certificates received, and employment by
 18 employer with various detailed positions
 19 indicating some -- in all cases for the
 20 period beginning in 1996 to the present.
 21 BY MS. BRANNEN:
 22 Q. Okay. And this is a full and
 23 accurate description of your employment
 24 history and educational history?
 25 **A. Yes, it is.**

Page 16

1 Q. Okay. Then we don't need to walk
 2 through the whole thing.
 3 Mr. Morrash, do you know who
 4 it is exactly that you're suing in this
 5 litigation?
 6 **A. Yes, I do.**
 7 Q. Can you identify the defendants
 8 for me?
 9 **A. The defendants include Barney**
 10 **Adams, other officers of the company**
 11 **whose name I don't have memorized but**
 12 **are clearly indicated in the Complaint.**
 13 **We're also suing three underwriters, and**
 14 **they are the -- that's who we're suing.**
 15 Q. And do you know why you're suing
 16 those defendants?
 17 **A. I certainly do.**
 18 Q. Can you explain to me what it is
 19 that you believe they did wrong?
 20 **A. Yes, I can. I believe they did a**
 21 **lot of things wrong, including excluding**
 22 **material information with respect to**
 23 **certain risks associated with this**
 24 **investment from the prospectus and**
 25 **registration statement.**

Page 17

1 Q. And can you tell me what
 2 statements you think or risks you think
 3 were omitted from the registration
 4 statement?
 5 **A. Yes, I can. I think that what was**
 6 **omitted was adequate disclosure with**
 7 **respect to the company's product being**
 8 **sold in gray markets.**
 9 Q. And can you tell me what evidence
 10 you have that supports that belief?
 11 **A. Well, I've -- I relied on my**
 12 **attorneys to articulate the claim and**
 13 **the particulars of the claim and I think**
 14 **that that stands on its own.**
 15 Q. Can you tell me what facts you
 16 know about, though, that support your
 17 belief that the risk of gray marketing
 18 was --
 19 **A. Yes.**
 20 Q. -- wrongfully omitted from the
 21 prospectus?
 22 **A. Yes. Absolutely.**
 23 **Can you repeat the question**
 24 **again?**
 25 Q. Yes. Just can you tell me what

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1 Q. But if it turned out that the
2 allegations were wrong, would you be
3 willing to dismiss the Complaint?
4 MS. FOX: Object to the form.
5 BY MS. BRANNEN:
6 Q. You can still answer the question.
7 MS. FOX: In fact, that's up
8 to the Court to answer, not up to him.
9 THE WITNESS: I'm an honest
10 person. I'm not intending to bring a
11 false claim against the company. If I
12 was to learn that, you know -- I would
13 not be a part of any claim brought
14 against any company that is false and
15 frivolous. This is not of that nature.
16 BY MS. BRANNEN:
17 Q. Do you have personal knowledge
18 about any of the allegations in the
19 Complaint outside of what you've learned
20 through your attorneys?
21 A. This Complaint originated with
22 me. Okay? This Complaint is a result
23 of actions that I took. Okay? That's
24 where this Complaint started. That's
25 where this whole thing started. This

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1 whole thing started with me and Bill
2 Schockley. The lawyers didn't find me,
3 I found the attorneys.
4 Q. And so how did you get things
5 started?
6 A. Bill Schockley and myself lost --
7 and his family members, we lost a lot of
8 money on this transaction along with all
9 the other class and subclass members.
10 We were very upset about it.
11 We reviewed the financial
12 statements, we reviewed other
13 information that was -- that was
14 available by way of the Internet, press
15 releases, and we decided that there was
16 enough suspicion here of something being
17 wrong to take it to an attorney and to
18 get their opinion as to whether or not
19 our view that something was wrong here
20 could be substantiated and was worth
21 pursuing.
22 Q. So how did you first become aware
23 that you might have these claims?
24 A. I lost \$49,000. What the hell
25 kind of question is that?

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1 Q. Well, I'm just saying --
2 A. I lost \$49,000. How much do you
3 think the Shockleys lost and how much
4 did the rest of the people who I'm
5 trying to represent here as well lose?
6 This is a theft. This is a
7 theft. Somebody stole our money.
8 Somebody stole our money. Barney Adams
9 and everyone else who signed off on this
10 thing stole our money. That's how I got
11 aware of it. And I'm not going to just
12 sit here and let those guys steal my
13 money.
14 He ought to be in prison is
15 where he ought to be because he violated
16 the law. He broke the law.
17 Q. It was your idea personally to
18 bring the lawsuit or was it
19 Mr. Schockley's idea or was it both of
20 you together?
21 A. Mr. Schockley and I had the
22 conversation and he took it to his
23 attorney.
24 Q. So was it your idea first? I'm
25 just trying to understand.

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1 A. It came out of a conversation that
2 the two of us had. We worked together.
3 We had mutual investment in this
4 company. We'd lost a lot of money. We
5 were upset by having lost a lot of
6 money.
7 The financial results, as I
8 described in detail before, looked
9 suspicious, the fact that the company
10 was having record performance during the
11 time when its product was being taken --
12 when the company was being taken public,
13 the fact that the company had all kind
14 of great plans to grow, the fact that
15 the company dropped to single digits
16 from \$16 a share less than a year after
17 it went public.
18 Yeah, we were upset about
19 that. Okay? And we wanted to see if
20 our concerns were legitimate enough to
21 be pursued legally. And that's when we
22 sought legal advice.
23 Q. You said it was Bill Schockley.
24 Is that -- what's his full name?
25 A. William M. Schockley.

21 (Pages 78 to 81)

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1 became an action of this nature, i.e., a
 2 class action.
 3 Q. But you're not -- you don't know
 4 specifically whose idea it was.
 5 A. Well, it was the attorneys, the
 6 attorneys who are involved in the case,
 7 including the attorneys who are
 8 representing --
 9 Q. But no one specific one, or you
 10 don't know for sure?
 11 A. I don't know for sure which
 12 specific attorney, no.
 13 Q. And then I know you mentioned
 14 Kenneth Schockley and David Schockley
 15 were also lead plaintiffs. What's
 16 their -- who is Bill Schockley in
 17 relation to them?
 18 A. Bill is Dr. Kenneth Schockley's
 19 son, and David Schockley is Ken
 20 Schockley's son as well.
 21 Q. And so is Bill Schockley a named
 22 plaintiff?
 23 A. To my knowledge, he is not.
 24 Q. Do you know why not?
 25 A. I don't know why not.

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1 Q. Do you know whether you're seeking
 2 to be named a class representative by
 3 the Court?
 4 A. I believe I am. I'm willing to
 5 be --
 6 MS. FOX: Object. This --
 7 it's really a legal question of --
 8 THE WITNESS: Yeah.
 9 MS. BRANNEN: I'm just asking
 10 for his understanding of what he's
 11 seeking to do in this lawsuit.
 12 THE WITNESS: Well, I can put
 13 it in laymen's terms.
 14 BY MS. BRANNEN:
 15 Q. That's great.
 16 A. And in laymen's terms, what I'm
 17 willing to do is to -- is to represent
 18 in whatever capacity it is -- is
 19 necessary other individuals who have
 20 suffered a loss that is of the same
 21 nature and same genesis as my loss.
 22 Q. And so can you describe in your
 23 own words kind of what the boundaries
 24 are of that class that you're trying to
 25 represent, who those people are that

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1 have suffered a similar loss?
 2 MS. FOX: Again, it calls for
 3 a legal conclusion.
 4 MS. BRANNEN: I asked him to
 5 describe it in his own words.
 6 BY MS. BRANNEN:
 7 Q. You can answer the question.
 8 A. I'm sure I could give it to you in
 9 laymen's terms. I know that there is a
 10 class and a subclass that is -- these --
 11 both these classes -- one class includes
 12 individuals who purchased the stock on
 13 the IPO, the other includes individuals
 14 who purchased the stock within a -- I
 15 believe a 25-day window following the
 16 IPO.
 17 And can you repeat -- I think
 18 there was more than one part of the
 19 question, if you wouldn't mind repeating
 20 it.
 21 Q. That was really it.
 22 A. Okay.
 23 Q. Just whether you could kind of
 24 describe the boundaries of the class
 25 that you're seeking to represent --

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1 A. Okay.
 2 Q. -- in terms of who they are.
 3 A. Uh-huh.
 4 Q. Why do you want to be a class
 5 representative?
 6 A. Because I think that there has
 7 been a -- an injustice here. There's
 8 been a wrong here. I think it's a wrong
 9 that needs to be righted. I think
 10 there's been a -- I think this is a case
 11 of thievery and theft. I think Barney
 12 Adams stole this money from people.
 13 Okay? In the -- in a broad sense of the
 14 word.
 15 He didn't come and take
 16 his -- put his hands in our pockets, but
 17 he sold us a stock that he said and that
 18 the company said and that the
 19 underwriters said was worth \$16 a share
 20 and he took our money. And in a very
 21 few months all that evaporated. So I
 22 think he ought to give that money back
 23 to us.
 24 Q. Do you know how many members are
 25 in the class that you're seeking to

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1 represent?
 2 **A. I don't know. I assume that there**
 3 **are thousands. I don't know**
 4 **specifically how many.**
 5 Q. And do you know when the other
 6 class members bought their Adams Golf
 7 stock?
 8 MS. FOX: I think he just
 9 described that with some clarity.
 10 BY MS. BRANNEN:
 11 Q. Can you just repeat the answer?
 12 Sorry.
 13 **A. I'll repeat it. Yes. Some of**
 14 **them bought it on the IPO. Some of them**
 15 **bought it within a 25-day window of the**
 16 **IPO.**
 17 Q. And do you know why those class
 18 members bought their stock?
 19 MS. FOX: How could he
 20 possibly?
 21 THE WITNESS: I would not
 22 have any possible knowledge of why they
 23 bought their stock.
 24 BY MS. BRANNEN:
 25 Q. Do you know when the alleged class

1 **A. Just a handful of us, I believe.**
 2 Q. Have you ever met with any of the
 3 other proposed class representatives?
 4 **A. I have not.**
 5 Q. Have you ever met Kenneth
 6 Schockley or David Schockley?
 7 **A. I have met them in the sense that**
 8 **I know them, yes. I've never met with**
 9 **them to discuss this case.**
 10 Q. Okay. Did you know that Federated
 11 National Insurance Company was a class
 12 representative or proposed class
 13 representative?
 14 **A. Not -- I recall reading that name,**
 15 **but really didn't focus on it.**
 16 Q. Did you know that they withdrew
 17 from consideration as a proposed class
 18 representative?
 19 **A. No.**
 20 Q. And so I guess you don't know why
 21 they withdrew, then.
 22 **A. It's not relevant to me.**
 23 Q. Do you have an agreement with your
 24 attorneys concerning who pays the costs
 25 for you to act as a class

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Page 133

1 period begins?
 2 **A. Can you define what the class**
 3 **period is?**
 4 MS. FOX: Calls for a legal
 5 conclusion again.
 6 BY MS. BRANNEN:
 7 Q. Let me just move to another
 8 question.
 9 Do you think your claims are
 10 similar to the class of plaintiffs you
 11 purport to represent?
 12 **A. Yes.**
 13 Q. And I may have already asked you
 14 this, but do you know how many other
 15 proposed class representatives there
 16 are?
 17 MS. FOX: It's been asked.
 18 He said in the thousands.
 19 THE WITNESS: Yeah.
 20 MS. BRANNEN: No, I don't --
 21 BY MS. BRANNEN:
 22 Q. Thousands of proposed class
 23 representatives?
 24 **A. Oh, class representatives?**
 25 Q. Uh-huh.

1 representative?
 2 **A. I don't have an agreement with**
 3 **them.**
 4 Q. Who is paying -- I'm guessing it
 5 sounded like you could drive here; you
 6 didn't have travel expenses to get here
 7 today; is that right?
 8 **A. I've not been reimbursed for any**
 9 **of my expenses, and I have not to date**
 10 **asked for reimbursement of any of my**
 11 **expenses.**
 12 Q. Do you plan to ask for
 13 reimbursement of any of your expenses?
 14 **A. If they become significant,**
 15 **whatever that means to me, perhaps, but**
 16 **not necessarily.**
 17 Q. What would that mean to you? What
 18 would be a significant cost to you?
 19 **A. I don't know. Like I said, it**
 20 **would depend on how I feel at the time.**
 21 Q. What do you understand your job to
 22 be, sort of your role as a class
 23 representative?
 24 **A. My role, as I see it, is to see**
 25 **this claim through a -- through a fair**

34 (Pages 130 to 133)

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1 the case?

2 **A. The case will be settled based**

3 **upon an agreement that is reached**

4 **between -- well, I guess only the**

5 **plaintiffs have the authority to settle**

6 **the case. The attorneys don't have the,**

7 **to my knowledge, the authority to settle**

8 **the case unless we give them the**

9 **authority to settle it, and I haven't**

10 **given anyone the authority to settle**

11 **this case.**

12 Q. Do you plan on attending the

13 entire trial?

14 **A. If there's a trial, I'm sure I'll**

15 **be there for some portion of it.**

16 Q. But not the entire thing?

17 **A. Depends on what's required.**

18 Q. Can you identify -- who

19 specifically is your attorney

20 representing you?

21 MS. FOX: Object to that.

22 How -- what do you mean by

23 who is his attorney?

24 MS. BRANNEN: I'm just asking

25 him who his --

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1 MS. FOX: People signed the

2 Complaint. All of whom represent him,

3 obviously.

4 BY MS. BRANNEN:

5 Q. Can you please answer the

6 question?

7 **A. Sure. My attorneys Liz Fox and**

8 **Don Lewis and Todd Collins and anyone**

9 **else they need to get done what they**

10 **need to get done to pursue this case.**

11 Q. And do you have a Fee Agreement

12 with your attorneys?

13 **A. Yes.**

14 Q. Is it a written agreement?

15 **A. No. The agreement is that if this**

16 **case is successful, they'll be paid**

17 **something that will be reviewed and**

18 **recommended by a judge.**

19 Q. Do you have any agreement with

20 them about what they will ask the judge

21 for?

22 **A. I haven't even discussed that.**

23 Q. So your agreement -- can you just

24 explain to me again then what the

25 agreement is? I'm confused.

1 **A. My agreement is it's a contingent**

2 **fee. I don't pay them anything unless**

3 **this case is successful, and then they**

4 **get paid based upon their application**

5 **for a fee and based upon -- and after a**

6 **review by a Court.**

7 Q. And do you know what percentage of

8 the recovery the contingency fee would

9 be?

10 **A. I don't know.**

11 Q. Do you know how much your

12 attorneys bill per hour?

13 **A. I don't know because I'm not**

14 **paying them by the hour.**

15 Q. I know you talked about that Bill

16 Schockley sort of took your discussions

17 about whether this might be a case to an

18 attorney; I forget the name. Can you

19 tell me again?

20 **A. Abrahams Loewenstein, I believe.**

21 Q. That's right.

22 And that then from there it

23 kind of made its way to some of the

24 other attorneys that are representing

25 you now. Were you involved in choosing

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1 those attorneys?

2 **A. No, I wasn't.**

3 Q. Do you know how they were chosen?

4 **A. They were chosen on the advice of**

5 **counsel beginning with Abrahams**

6 **Loewenstein and being passed on from**

7 **that point.**

8 Q. And why were they chosen?

9 **A. They were chosen based upon their**

10 **competency and expertise to handle a**

11 **case of this nature.**

12 Q. Do you know whether competitive

13 bids were taken from different law

14 firms?

15 **A. To my nature, there were no**

16 **competitive bids.**

17 **I'm sorry. To my knowledge,**

18 **not my nature.**

19 Q. And I think we may have gone over

20 this already and if so, I apologize.

21 Can you tell me again how many times you

22 physically met with your attorneys in

23 this case?

24 **A. I met with them by phone on many**

25 **occasions. I met with them in person**

36 (Pages 138 to 141)

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JOHN MORRASH

2/23/2005 IN RE: ADAMS GOLF, INC., SECURITIES LITIGATION

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Page 168

1 market makers like the NASDAQ are
2 supposed to do.
3 BY MS. BRANNEN:
4 Q. And do you believe that
5 information about a company affects the
6 way the market values the stock?
7 A. Yes.
8 Q. What kind of information do you
9 think influences a company's stock
10 price?
11 A. People have written books on
12 that. Anything. Again, I mean, it --
13 their relative strength to their
14 competitors, the outlook for new
15 products for the company, technological
16 advantages they might have, congruency
17 between their products and the specific
18 demands of a market, the total
19 consumption in the market, the growth in
20 the market, in this case, in terms of
21 number of golfers, number of new golf
22 courses, the ability of a company to
23 penetrate markets in foreign countries,
24 ability of companies to sell
25 aggressively.

1 A. I can't speak for my brokers, but
2 my common-sense understanding is that
3 they're basing their decision about all
4 the sources of information that are
5 available.
6 Q. And I know when you were listing
7 some of the information that you think
8 affects the company's stock price, one
9 of the things you talked about was sort
10 of industry conditions, market
11 conditions in the industry where a
12 corporation does business. How fast do
13 you believe that kind of information is
14 assimilated by the market?
15 MS. FOX: Again, it's way
16 beyond his expertise and --
17 BY MS. BRANNEN:
18 Q. Just -- I'm just looking for your
19 layman's opinion.
20 MS. FOX: -- completely
21 irrelevant.
22 THE WITNESS: As a layman,
23 that is a longer-term issue because it
24 speaks -- it speaks to a trend in the
25 marketplace. You don't build golf

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Page 169

1 All that kind of information
2 is relevant and is information that's
3 considered by people who buy and sell
4 investments on a daily basis.
5 Q. How fast do you think that such
6 information is assimilated by the
7 market, the stock market?
8 A. Today?
9 MS. FOX: If you know.
10 THE WITNESS: In my --
11 BY MS. BRANNEN:
12 Q. In your layman's opinion.
13 A. In my layman's opinion? Faster
14 every day, with -- the world pretty much
15 operates in real time.
16 Q. Does that kind of information
17 influence your investment decisions?
18 A. Yes.
19 Q. Or maybe, I guess, a better
20 question is, does it influence your
21 broker's investment decisions? Because
22 do you actually -- I think you were
23 saying earlier you don't really have
24 time to follow all the stocks that
25 you're invested in.

1 courses overnight. You don't convince
2 more Americans they should be playing
3 golf overnight. It's a -- it's -- in my
4 layman's opinion, it's something that
5 happens over a period of time.
6 BY MS. BRANNEN:
7 Q. Do you --
8 A. But it's different for each --
9 it's different for each business.
10 Q. Do you think that global or
11 macroeconomic forces in general affect a
12 company's stock price?
13 A. Of course.
14 Q. And do you think those kinds of
15 forces affected Adams Golf stock at any
16 time during the class period?
17 A. No. Not in a negative way. No.
18 Q. Have you ever met or known anyone
19 at Adams Golf, an employee or a former
20 employee of Adams Golf?
21 A. I was at a golf show once and
22 stopped by the Adams Golf booth and told
23 a person there how upset I was about
24 losing almost \$50,000 in their company.
25 I don't know her name. I just sort of

43 (Pages 166 to 169)

EXHIBIT E

Message

Page 1 of 5

Elizabeth Fox

From: Elizabeth Fox
Sent: Thursday, February 10, 2005 2:46 PM
To: 'Brannen, Jenny'
Cc: 'Don Lewis'; Todd Collins; 'Carmella Keener'
Subject: RE: Proposed class representatives depositions and documents

Jenny—Here is the schedule—Craus in Austin on the 18th. Morrash in Philadelphia on the 23rd. Schockley in Phila on the 24th if he is through jury duty. Tonore in Austin on the 25th. One trip to Phila for you, two trips to Austin for me. My understanding is that Shockley starts jury duty at the beginning of the week. His counsel is not available on the 21st, 22nd or 23rd. The 24th is the best chance to do him. If that fails it will have to go to the next week.

I will fed Ex The documents to you as soon as I get them.

Liz

-----Original Message-----

From: Brannen, Jenny [mailto:jbrannen@AkinGump.com]
Sent: Thursday, February 10, 2005 1:03 PM
To: Elizabeth Fox
Cc: Todd Collins; morris lewislaw; Carmella Keener
Subject: RE: Proposed class representatives depositions and documents

Liz,

Let's set Craus in Austin on Feb. 18th then. Will you be sending us her documents for delivery tomorrow or Saturday morning? Will we be getting all your documents at the same time?

Also, we've agreed on Tonore in Austin for Feb. 25.

We would prefer to make only one trip to Philadelphia if possible. When is Shockley supposed to appear for jury duty? Could he appear for his deposition on Feb. 21, 22, or 23?

Thanks,
Jenny

-----Original Message-----

From: Elizabeth Fox [mailto:efox@bm.net]
Sent: Wednesday, February 09, 2005 11:53 AM
To: Brannen, Jenny
Cc: Todd Collins; morris lewislaw; Carmella Keener
Subject: RE: Proposed class representatives depositions and documents

Jenny—Craus could make herself available in Austin on the 17 or 18th of Feb. Otherwise, she will be able to do the 16th or 17th of March. She will produce some but not a large volume of documents (less than an inch I think). Let me know, Liz

-----Original Message-----

From: Brannen, Jenny [mailto:jbrannen@AkinGump.com]
Sent: Tuesday, February 08, 2005 8:08 PM
To: Elizabeth Fox
Cc: Todd Collins; morris lewislaw; Carmella Keener
Subject: RE: Proposed class representatives depositions and documents

3/29/2005

Message

Page 2 of 5

Liz:

Thanks for sending us dates for 2 of the 5 proposed class representatives. We plan to depose all five proposed class representatives. If we make the determination at some point that any of the five depositions are unnecessary, we will let you know as far in advance of the scheduled deposition date(s) as possible.

We originally proposed taking all 5 depositions within the same week at your office for your convenience and to minimize travel expenses. Obviously, it will be most cost effective for us to take all the depositions that will be in Philadelphia over a span of consecutive days in the same week if at all possible. Please confirm whether Dr. Shockley will be available on Feb. 24 as soon as you can, so that we can figure out what schedule makes the most sense.

Finally, please provide us with dates for the other 3 proposed class representatives by the close of business this Friday, February 11. If you are unable to provide us with dates, we will be forced to subpoena these proposed class representatives to appear for deposition in Delaware.

Thanks,
Jenny

-----Original Message-----

From: Elizabeth Fox [mailto:efox@bm.net]
Sent: Tuesday, February 08, 2005 1:40 PM
To: Brannen, Jenny
Cc: Todd Collins; Don Lewis; Carmella Keener
Subject: RE: Proposed class representatives depositions and documents

Jenny---With regard to your request for depositions, we do not believe you need to depose all the class representatives. There is no reason that you cannot find out all you need to know with the depositions of 2 or possibly 3 of them. In keeping with your rushed schedule, we have scheduled the deposition of John Morrash at our offices on Wed. Feb. 23. Todd Tonore is available on Fri. Feb. 25 at your offices in Austin. Dr. Shockley has jury duty in Florida. We hope he will be available on Feb. 24 at our offices or possibly during the week of Feb. 28, but we can make no promises yet. Liz

-----Original Message-----

From: Brannen, Jenny [mailto:jbrannen@AkinGump.com]
Sent: Friday, February 04, 2005 7:15 PM
To: Elizabeth Fox
Subject: RE: Proposed class representatives depositions and documents

No problem --- that sounds good. How soon after the 11th do you think you can get us all of the class reps' documents since we will need those in advance of the depos?

We were planning to take 2 at the same time, so that we could get them all done in that week (and that Monday is a holiday, so we figured it would be better to avoid scheduling any that day, if possible). Our office is in Austin, so we would be glad to do Craus and Tonore here --- how about Craus on the 22nd and Tonore on the 23rd? Then we could still have someone fly up to take Shockley on the 22nd, Morrash on the 23rd, and Federated National on the 24th.

Let me know when you know about everyone's schedule.

Thanks, and have a good weekend,

3/29/2005

Message

Page 3 of 5

Jenny

-----Original Message-----

From: Elizabeth Fox [mailto:efox@bm.net]

Sent: Friday, February 04, 2005 4:25 PM

To: Brannen, Jenny

Cc: Elizabeth Fox

Subject: RE: Proposed class representatives depositions and documents

Jenny—sorry—I miscounted. We will have answers and some of the documents to you by Feb. 11.

We just received the dep. Notice. Both Shockley and Craus are listed for tues Feb. 22nd at 10 am. Is that a mistake ? Further, both Craus and Tonnore live in Texas. Would you be willing to do their depositions in Texas, and if so where, if that is more convenient for them? Thanks for agreeing to do the others at our offices.

Let me know, thanks, Liz

From: Brannen, Jenny [mailto:jbrannen@AkinGump.com]

Sent: Tuesday, February 01, 2005 12:18 PM

To: Elizabeth Fox

Subject: RE: Proposed class representatives depositions and documents

Liz, I think you may have miscalculated the deadline --- we hand delivered the discovery requests on January 12, so 30 days is February 11. Again, we would appreciate getting whatever documents you have already collected via overnight mail on the 11th for Saturday delivery. Do you have a feel for when we will have all the documents?

We're proposing to do the depositions in Philadelphia rather than Delaware for your convenience. We'll be happy to do them in your office, as long as you can provide us with two main rooms and a breakout room. Regarding the dates, we would like to schedule them for the week of February 21.

Thanks,
Jenny

-----Original Message-----

From: Elizabeth Fox [mailto:efox@bm.net]

Sent: Tuesday, February 01, 2005 9:42 AM

To: Brannen, Jenny

Cc: Todd Collins; Don Lewis; Julie Desper; Carmella Keener

Subject: RE: Proposed class representatives depositions and documents

Hi Jenny

—By my calculation our answers are not due until the 14th. We have to Bates stamp the documents after that. We will copy them here and FedEx them to you as quickly as we can. I do not anticipate that the volume of documents will be large.

If we do the depositions in Philadelphia, we would

3/29/2005

Message

Page 4 of 5

prefer to do them at this office. I will call you as soon as I find out when our clients are available.

-----Original Message-----

From: Brannen, Jenny
[mailto:jbrannen@AkinGump.com]
Sent: Monday, January 31, 2005 8:14 PM
To: Elizabeth Fox
Subject: Proposed class representatives
depositions and documents

Hi, Liz.

I just wanted to give you the heads up that we will be sending out deposition notices for the proposed class representatives in the next day or so. We're planning to send them out with place-holder dates, but we will work with you as much as possible on scheduling. We're planning to conduct the depositions at our office in Philadelphia. Please let me know once you have had a chance to check with your clients about dates. Also, we would like to make arrangements for you to overnight us copies of their documents on the 11th for Saturday delivery, so let me know who I should send our account numbers to.

Please give me a call if you'd like to discuss.

Thanks,
Jenny

Jennifer R. Brannen
Akin Gump Strauss Hauer & Feld LLP
300 W. 6th St., Suite 2100
Austin, TX 78701
512.499.6258
512.499.6290 (fax)

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3/29/2005

Message

Page 5 of 5

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3/29/2005

Message

Page 1 of 2

Elizabeth Fox

From: Todd Collins
Sent: Thursday, February 24, 2005 1:58 PM
To: 'Brannen, Jenny'
Cc: Elizabeth Fox; tmcevoy@stblaw.com; Larocca, David H; Moriaty, Laura; Donna Giovanetti; Elizabeth Fox; morris lewislaw
Subject: RE: Shockley deposition

It would be our pleasure to start, or try to start, at 10:30. Please be here then, and inform the court reporter. We may end up being a few minutes late in starting, but we will try to start as promptly as possible. I have strong feelings about people making the last plane in time to get home to their families, and our side will do everything we can. I am defending tomorrow, and I tend to object on occasion, but I will strive, as I am sure you will, to keep down the colloquy.

You might have noticed the snow. In case transportation difficulties arise, it would be wise for you and I to exchange cell numbers. Mine is 267 979 0003.

Regarding the extra copies of the documents, I will ask Donna Giovanetti of my office to look after that right away. We will also have extra copies available at the dep.

Finally, if you are interested, the phone number of the Barnes Foundation is 610 667 0290. Very cumbersome to get tickets, and you cannot just show up and get in. Maybe you can check with your concierge. Note that Barnes may not be open today, just tomorrow and over the weekend.

-----Original Message-----

From: Brannen, Jenny [mailto:jbrannen@AkinGump.com]
Sent: Thursday, February 24, 2005 1:24 PM
To: Todd Collins
Cc: Elizabeth Fox; tmcevoy@stblaw.com; Larocca, David H; Moriaty, Laura
Subject: Shockley deposition

Todd:

I just wanted to confirm that we are still on for tomorrow. I know you wanted to push the start time back to 11:00 so that you would have some prep time in the morning, but as a compromise, could we please start at 10:30? The latest flight out tomorrow night is at 5:30, and we would really like to make it if possible. For that reason, we would also like to propose that we take a very short lunch break, if a break is necessary. (If you insist on starting at 11:00, we would prefer to go straight through.)

Please let me know so that I can confirm the time with the court reporter.

Thank you for producing Mr. Shockley's documents. I had asked Liz to have 4 copies made since there were only 7 pages, so that we would be able to have our exhibits ready to go, but I only received one copy at the hotel. Will you please have the other copies delivered here this afternoon so that we don't have to spend time organizing them in the morning? Also, I would appreciate it if you could fax or pdf a set to Ted and his colleague, David Larocca, so that they have a chance to review them before tomorrow.

Thanks,
Jenny

3/22/2005

1622 LOCUST STREET | PHILADELPHIA, PA 19103-6305 | phone 215/875-3000 | fax 215/875-4604 | www.bergermontague.com

Berger & Montague, P.C.
ATTORNEYS AT LAW

WRITER'S DIRECT DIAL	(215) 875-5806
WRITER'S DIRECT FAX	(215) 875-4604
WRITER'S DIRECT E-MAIL	efox@bmn.net

ELIZABETH W. FOX

February 22, 2005

Michelle A. Reed, Esquire
Akin, Gump, Strauss, Hauer & Feld, LLP
300 West 6th Street, Suite 2100
Austin, TX 78701

Re: IN RE ADAMS GOLF, INC. SECURITIES LITIGATION
Consolidated Civil Action No. 99-371-KAJ

Dear Michelle:

We will produce the documents identified in our Rule 26 disclosures to you on a disc or copy them for you, at your expense. None of these documents is privileged.

We request that you produce immediately those documents identified in your clients' Rule 26 disclosures.

As to your questions which appear to be about the objections we interposed to your initial interrogatories, we will look at the cases you cite and get back to you.

Dr. Shockley is available for deposition at this office at 11:00 a.m. on Friday, February 25, 2005. I will give his documents (2 or 3 pages) to Jenny tomorrow.

Finally, we note that although plaintiffs' document requests were served on you before you sent us discovery requests, we have not received anything from you or the investment bank defendants. We see no reason why you have delayed so long in producing the documents, and request that you produce them by the first of March, which is five weeks after your responses were due.

Sincerely,

Liz Fox

Elizabeth W. Fox

EWF/sw

cc: Theodore McEvoy, Esq.
Juli Desper, Esq.
Donald B. Lewis, Esq.
Todd S. Collins, Esq.
Carmella Keener, Esq.

EXHIBIT F

MAR 12 1999 10:52 FROM ABRAHAMS LOEWENSTEIN

ID: 12155870888

PAGE 3/1

LAW OFFICES

ABRAHAMS, LOEWENSTEIN, BUSHMAN & KAUFFMAN
A PROFESSIONAL CORPORATION



FOUNDED 1910

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New Jersey Office

20 Beach Road, Suite 112
Cherry Hill, NJ 08034

(609) 791-1800
Fax (609) 616-7889

March 10, 1999

Dr. F. Kenneth Shockley
25 Glen Drive
Voorhees, NJ 08043

Re: Adams Golf Securities Litigation

Dear Dr. Shockley:

At your request, we have pursued an investigation of the circumstances concerning your losses in the stock of Adams Golf, Inc. ("Adams Golf"). I enclose a working draft of a complaint that we intended to file against Adams Golf, certain of its officers and directors, and the underwriters for Adams Golf's July 1998 initial public offering, namely Lehman Brothers, Nationsbanc Montgomery Securities LLC and Ferris, Baker Watts Incorporated. We are conducting further investigation and making certain revisions to the complaint, which we hope to file shortly after you execute and return to me the certification sent to you with the complaint. However, I ask that you return the certification as soon as possible, so that we will be in a position to file without delay if that proves necessary or advantageous. In the event that we determine that it makes sense to await the filing of Adams Golf's 1998 Report on Form 10-K before filing suit, we may ask you to sign a revised certification later this month or in early April, following release of the 10-K.

We will represent you in this proposed class action litigation on the following basis:

1. The suit will be brought as a class action in federal court in Dallas, Texas.

FKS 8

ABRAHAMSON LOWENSTEIN, BUSHMAN & KAUFFMAN

Dr. F. Kenneth Shockley
March 10, 1999
Page 2

We will work as co-counsel with Berger & Montague, P.C. and the Law Offices of Donald B. Lewis. We will also need to retain local counsel in Texas.

2. You will serve as a class representative, to attempt to obtain a recovery for all persons, including yourself, who have been injured by similar conduct and practices of the defendants. Your responsibilities as a class representative will include producing documents and information, and possibly testifying at deposition or trial, as well as monitoring the litigation generally and insuring that we provide the class with appropriate notice of the action.

3. If the case is certified as a class action, the Court may award attorneys' fees to us and to our co-counsel at the conclusion of the case. Any such award would come out of the recovery or from the defendant, and you will not in any event be personally responsible to pay any attorneys' fees to any of us.

4. The case will be brought as a class action, because otherwise it would not be economically feasible. Unless the court refuses to certify the class, it will not be possible to settle the case on your individual behalf. Many federal court judges have awarded payments to successful class representatives to recognize their efforts on behalf of a class, although I can give you no assurances payment would under current law be limited to items such as reasonable costs and expenses, including lost wages.

5. We will advance all costs and other disbursements, including filing fees, travel costs, transcript costs, the costs of notifying the class, copying costs and any other costs necessary to the proper handling of the matter. In the event the case is successful, the court may reimburse these costs to us at the conclusion of the litigation from any fund that may be obtained from a settlement or a judgment. In the event the litigation is unsuccessful, your responsibility to us will be limited to being responsible for an appropriate share of the costs of the litigation, not including any attorneys' fees.

When you have reviewed the draft complaint and this letter, please complete the enclosed certification and return it to us at your earliest opportunity. If the foregoing is acceptable to you, I would appreciate it if you would sign in the space below, retaining a copy for your files. Naturally, do not hesitate to call if you have suggestions concerning the draft or questions concerning this letter or the enclosures.

MAR 12 1999 10:53 FROM ABRAHAMS LOEWENSTEIN

ID: 12155870888

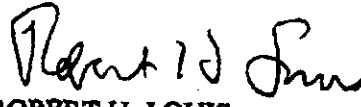
PAGE 5/1

ABRAHAMS LOEWENSTEIN, BUSHMAN & KAUFFMAN

Dr. F. Kenneth Shockley
March 10, 1999
Page 3

We all look forward to representing you.

Very truly yours,


ROBERT H. LOUIS

RHL/lb

Enclosures

cc: Todd S. Collins, Esquire
Donald B. Lewis, Esquire

AGREED TO AND ACCEPTED:



F. Kenneth Shockley

EXHIBIT G

**ADAMS GOLF CLASS ACTION
SHAREHOLDER QUESTIONNAIRE**

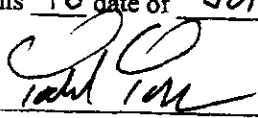
This form is to be filled out in order to join the shareholder class action being brought against Adams Golf, Inc.

First Name: TODD
Middle Initial: M
Last Name: TONORE
E-Mail Address: TODDTONORE@AOL.COM
Mailing Address: 1024 PEBBIE BEACH

City: MANSFIELD
State: TX
Zip Code: 76063
Phone Numbers: (817) 453 - 8400 (Home)
(817) 371 - 8645 (Work)
Fax Number: (817) 453 - 8601
Number of Shares of Adams Golf Common Stock
(attach trade confirmations and/or acquisition documents): 6200 SHARES

As explained in the cover letter, we will represent you on a contingent fee basis and will apply to the Court for reimbursement of costs and payment of fees out of any recovery. You will not be individually responsible for payment to the attorneys. Pursuant to applicable bar rules you may sever this attorney/client relationship at your discretion.

Signed this 18 date of JULY, 1999.


Signature

KELLER ROHRBACK L.L.P.
SUITE 3200
1201 THIRD AVENUE
SEATTLE, WASHINGTON 98101-3052
(206) 623-1900

EXHIBIT II

MAR-25-2005 12:05 FROM:

2155870888

TO: 816099269902

P. 3/4

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

IN RE: ADAMS GOLF, INC., : CIVIL ACTION NO. 99-371
SECURITIES LITIGATION :

DECLARATION OF KENNETH SHOCKLEY, D.O.

I, KENNETH SHOCKLEY, D.O. declare under penalty of perjury:

1. In early February, I received a call from my personal attorney, Alan Sanders asking if I would be available for deposition in this case on February 24, 2005.
2. I told Alan that I had been subpoenaed for jury duty in Florida, and I did not know how long it would last. I told him I could not be sure to be available on February 24, but I would come if I could.
3. I reported for jury duty on February 17, 2005. I was not chosen for a jury and was dismissed at the end of that day.
4. Sanders called me on February 22, to confirm that I would be available to do the deposition. I confirmed that I was available.
5. My deposition was taken on February 25, 2005.
6. I declare under penalty of perjury that the foregoing is true and correct.

DATED: 3-23-05

Kenneth Shockley, D.O.
Kenneth Shockley, D.O.

EXHIBIT III

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

IN RE: ADAMS GOLF, INC., : CIVIL ACTION NO. 99-371
SECURITIES LITIGATION :

DECLARATION OF TODD S. COLLINS

I, TODD S. COLLINS, declare under penalty of perjury:

1. I am a Shareholder at Berger & Montague, P.C.
2. I have been in charge of the Adams Golf litigation at the Berger firm from the inception of the case in 1999.
3. At my direction, and pursuant to the PSLRA, the Berger firm issued a press release with respect to the filing of the initial complaint in the litigation. The press release was issued on June 14, 1999. (See Exhibit 1.)
4. Our practice in the case, when we received calls and emails, in response to the press release, was to send the prospective lead plaintiffs who contacted us a form letter, a form of Certification, and the Complaint, along with other materials.
5. In this form letter, we informed prospective plaintiffs that, should they choose to retain the Berger firm, attorney's fees and cost would be on a contingent basis. By returning the Certification, the prospective plaintiff would agree to this contingent fee and expense arrangement.
6. I understand that Ms. Craus, along with other prospective plaintiffs who contacted us, received a copy of this form letter.
7. In the Adams Golf case, as in all other cases, I did not telephone prospective plaintiffs unless such persons first contacted the Berger firm. This practice was consistent with my instructions to all attorneys and paralegals at the Berger firm who communicated with

prospective plaintiffs and others responding to the Berger firm's press release.

8. Of course, I would be constrained by ethical considerations from initiating contact by telephone with prospective plaintiffs. In addition, and as an entirely separate matter, we would have had no way of knowing the identity of any non-controlling shareholders at Adams Golf unless such persons contacted us.

9. I declare under penalty of perjury that the foregoing is true and correct.

DATED: April 3, 2005


TODD S. COLLINS

392947.wpd

EXHIBIT 1

Adams Golf, Inc. (Nasdaq: ADGO) and Its Top Officers and Directors Are Sued by the Shareholders as Per the Class Action Lawsuit Filed by Berger & Montague, P.C.

06/14/1999

PR Newswire

(Copyright (c) 1999, PR Newswire)

PHILADELPHIA, June 14 /PRNewswire/ -- Investors have filed a class action alleging Adams Golf, Inc. (Nasdaq: ADGO) and certain of its officers and directors violated the federal securities laws. According to the lawsuit, defendants omitted or misrepresented information from the Registration Statement they filed with the SEC and the Prospectus they disseminated to investors who purchased Adams Golf (Nasdaq: ADGO) common stock in the initial public offering in July 1998 (the "IPO").

The lawsuit charges that the Registration Statement and the Prospectus failed to disclose material risks arising from two important conditions existing at the time of the IPO, namely that at the time of the IPO, gray market distribution of Adams Golf products and an oversupply of golf club inventory at the retail level were negatively affecting Adams Golf's earnings.

According to the complaint, the price of Adams Golf stock has declined dramatically in the period following the IPO as investors have learned the truth.

The complaint also alleges that, in the IPO, individual defendants sold more than two million shares of the Company's stock for more than \$36 million in proceeds.

The complaint was filed Friday in the United States District Court for the District of Delaware, and the case number is 99-371. The class consists generally of persons who purchased in the IPO.

The law firm of Berger & Montague, P.C. has extensive experience in securities class action cases. The Berger firm has played lead roles in major cases over the past 25 years resulting in recoveries in the billions of dollars to investors. Courts widely recognize Berger & Montague, P.C. for the high quality of its legal representation on behalf of defrauded investors.

If you purchased Adams Golf common stock in the IPO, you may, not later than 60 days from today, move the Court to serve as lead plaintiff of the class.

If you wish to discuss this action or have any questions concerning the notice or your rights or interests with respect to these matters, please contact Berger & Montague, P.C. (Todd S. Collins, Esq. or Jacob Goldberg, Esq.) at 1622 Locust Street, Phila., PA 19103, Law Offices of Donald B. Lewis (Donald B. Lewis, Esq.) at 5 Cynwyd Rd., Bala Cynwyd, PA 19004, Abrahams, Loewenstein, Bushman & Kaufman, P.C. (Robert H. Louis, Esq. or Jeffrey P. Bates) at One Liberty Place, Suite 3100, 1650 Market Street, Philadelphia, PA 19103 or The Olsen Law Firm (Kurt B. Olsen, Esq.) at 212 K St., N.W., Suite 800, Washington, D.C. 20037.

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